

## Message Text

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41

ACTION EUR-12

INFO OCT-01 EA-10 IO-10 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 DODE-00 PA-02 PRS-01 CEQ-01

OFA-01 EPA-04 L-03 NSF-02 PM-03 OES-05 FEAE-00 DOTE-00

HEW-06 /141 W

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R 121535Z JUN 75

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 6096

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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USMISSION USUN NEW YORK

USMISSION OECD PARIS  
USMISSION EC BRUSSELS

UNCLAS THE HAGUE 3010  
STATE ALSO PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A  
TAGS: EFIN, XX  
SUBJ: ANNUAL BANKERS CONFERENCE CONVENES IN AMSTERDAM

SUMMARY: ON JUNE 10, THE ANNUAL MEETING OF THE INTERNATIONAL MONETARY CONFERENCE CONVENED IN AMSTERDAM. BEFORE THE CONFERENCE CONCLUDES ON JUN 13, MORE THAN 120 NOTABLES OF THE FINANCIAL WORLD, INCLUDING AT LEAST ONE SCORE CENTRAL BANK GOVERNORS AND FINANCE MINISTERS, WILL HAVE VOICE THEIR VIEWS ON ISSUES RANGING FROM "PURSUIT OF ECONOMIC GOALS IN A NEW ENVIRONMENT" TO "BANKING TRENDS". THE FOLLOWING REPORT OF SIGNIFICANT VIEWS VOICED DURING JUNE 11 PROCEEDINGS IS BASED ON LOCAL PRESS COVERAGE.

1. ANNUAL INTERNATIONAL MONETARY CONFERENCE, BEING HELD THIS YEAR IN AMSTERDAM FROM JUNE 10 THROUGH 13, OPENED SUBSTANTIVE SESSIONS JUNE 11. FIRST DAY OF THIS BILDEBERG OF BANKING HEARD, AMONG OTHERS, US FED RESERVE BOARD GOVERNOR HENRY WALLICH, WHO VOICE CONCERN OVER POSSIBLE CAPITAL SHORTAGE IN THE U.S. ONCE THE U.S. ECONOMY MOVES INTO HIGHER GEAR. HE IDENTIFIED THE UNCERTAINTY OVER THE ADEQUACY OF THE LEVEL OF SAVINGS IN A PERIOD WHEN HIGHER DEMANDS FOR CAPITAL BEING IMPOSED FOR ACTIVITIES RELATED TO ENVIRONMENT, MASS TRANSIT, ENERGY, HEALTH AND SAFETY, ETC., AS THE PARTICULAR SOURCE OF CONCERN. TWO SPECIFIC DANGER SIGNALS IN THIS REGARD, HE SAID, ARE THE DECLINE IN REAL CORPORATE PROFITS AND THE TREND TOWARD HIGHER DEFICITS IN BUDGETS AT ALL LEVELS OF GOVERNMENT. (SAME POINT OF VIEW WAS EXPRESSED BY DAVID ROCKEFELLER AT SMALL GATHERING AT AMBASSADOR'S RESIDENCE JUNE 10.

2. BANQUE DE BRUXELLES PRESIDENT LAMFALUSSY WARNED OF LIKELIHOOD OF RESURGENCE OF HIGH RATE OF INFLATION AND UNSTABLE INTERNATIONAL PAYMENTS SITUATION, PROBLEMS WHICH ARE UNCLASSIFIED

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TEMPORARILY VEILED BY PRESENT ECONOMIC DOWNTURN, ONCE THE WORLD'S LARGER ECONOMIES TURN UP. HE URGED THAT WORLD COMMODITY CONSUMERS REACH AGREEMENTS WITH PRODUCERS BEFORE SELLERS' MARKET RETURNS. AMERICAN BANKERS, INCLUDING WALTER WRISTON AND DAVID ROCKEFELLER, SOUNDEDLESS PESSIMISTIC, ARGUING THAT ECONOMIC RECOVERY WOULD LIKELY NOT BE SO RAPID AS TO LEAD TO GROSS EXCESSES AND THAT THE VERY FEAR OF WHICH LAMFALUSSY HAD SPOKEN WOULD IN ITSELF PROMPT PRUDENCE.

3. IN PRESS INTERVIEW, WRISTON SAID HE EXPECTS U.S. PRIME RATE TO FALL EVEN LOWER IN NEXT FEW MONTHS, TO AROUND 6 PERCENT, WITH COMMERCIAL PAPER BOTTOMING OUT AT ABOUT 4.5.

4. BANK OF TOKYO DEPUTY PRES KASHIWAGI SAID HE THOUGHT JAPANESE ECONOMY WAS NOW IN PROCESS OF BOTTOMING OUT BUT HE IS NOT AS OPTIMISTIC AS SOME OBSERVERS WHO ANTICIPATE EARLY UPTURN IN JAPANESE ECONOMY. GOJ IS RELAXING MONETARY POLICY AND, HE SAID, SOME STIMULATIVE FISCAL MEASURES CAN ALSO BE EXPECTED SHORTLY.

5. MANUFACTURERS HANOVER TRUST CHAIRMAN GABRIEL HAUGE ADDRESSED ISSUE OF INTERVENTION POLICY IN MONEY MARKETS AND URGED EC AND US TO REACH "SOME KIND OF UNDERSTANDING". HE FORESHADOWED EVENTUAL MECHANISM THAT WOULD ESTABLISH TRIANGULAR RELATIONSHIP BETWEEN THREE CURRENCY BLOCS; US DOLLAR, JAPANESE YEN, AND EC "SNAKE".

6. CONFERENCE WILL DISCUSS "EUROCURRENCY MARKETS TODAY" AND "BANKING TRENDS" ON JUNE 12 AND CONCLUDE FRIDAY MORNING WITH A "CONVERSATION WITH CENTRAL BANKERS" THAT WILL BRING TOGETHER AS A PANEL THE HEADS OF THE CENTRAL BANKS OF AUSTRALIA, CANADA, ITALY, THE NETHERLANDS, THE UK AND THE US. TREASURY SECRETARY SIMON WILL ADDRESS WRAP-UP LUNCHEON JUNE 13.  
GOULD

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## Message Attributes

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**TAGS:** EFIN, XX, NL  
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